

THE DEPUTY MAYOR FOR PLANNING  
AND ECONOMIC DEVELOPMENTNOTICE OF PROPOSED RULEMAKING

The Deputy Mayor for Planning and Economic Development ("Deputy Mayor"), pursuant to section 3 of the Industrial Revenue Bond Forward Commitment Program Authorization Act of 1995, effective September 20, 1995 (D.C. Law 11-46; D.C. Official Code § 47-340.02(c) (2001)) and section 502(b) of the Industrial Revenue Bond Fees Act of 1997, effective March 20, 1998 (D.C. Law 12-60; D.C. Official Code § 47-340.20 *et seq.* (2001)), gives notice of his intent to adopt the following rules to amend section 5015 in Chapter 50 (Revenue Bonds) of Title 10 of the *District of Columbia Municipal Regulations* ("DCMR"). These rules are issued by the Deputy Mayor pursuant to the authority granted in Mayor's Order 83-145, dated June 24, 1983.

The proposed amendments will establish a schedule of administrative fees to be paid with respect to certain revenue bonds, notes and other obligations authorized to be issued by the District of Columbia under section 490 of the District of Columbia Home Rule Act, 87 Stat. 790; Pub. L. 93-198; D.C. Official Code §§ 1-204.90 (2001).

Final rulemaking action to adopt these amendments shall be taken in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register*.

Amend Chapter 50 of Title 10 DCMR as follows:

(1) Sections 5015.1 and 5015.2 are amended to read as follows:

5015.1 The developer, owner, or applicant, whichever is applicable as determined by the Deputy Mayor for Planning and Economic Development (Deputy Mayor), shall be responsible for all costs incurred by the District with respect to the financing of the facility, including, without limitation, the processing of the application, if applicable, all matters relating to the issuance of the bonds, financial advisor fees, bond counsel fees, and other matters.

5015.2 If, for any reasons whatsoever, the developer, owner, or applicant, whichever is applicable as determined by the Deputy Mayor, after receiving written notification from the Deputy Mayor, fails to conclude necessary negotiations or take requested action within a reasonable or specified period of time, or if the developer, owner, or applicant withdraws, abandons, cancels, or neglects the application, or if the developer, owner, or applicant is unable to find a purchaser for the bonds, or if the bonds are not issued for any reason (other than failure of the District to provide for issuance of the bonds), then upon presentation of an

invoice, the developer, owner, or applicant shall pay to the District, or to persons or firms designated by it, all fees, charges, and other costs incurred with respect to the application and any proposed bond issue, up to that date and time, including fees of financial advisors and bond counsel for the District.

- (2) Repeal section 5015.3;
- (3) Renumber section 5015.4 to be section 5015.10; and
- (4) Add new sections 5015.3 through 5015.9 to read as follows:

5015.3 In addition to the costs specified in § 5015.1, and except as specified in § 5015.4, upon the delivery of any bonds issued pursuant to section 490 of the Act (other than bonds issued by the Chief Financial Officer or an instrumentality of the District, to whom bond issuance authority has been delegated by the Council pursuant to section 490 of the Act), the developer, owner, or applicant shall pay to the District an origination fee according to the following schedule:

- (a) Up to twenty-five million dollars (\$25,000,000) in face amount of bonds – twenty-five hundredths of a percent (0.25%) of the face amount of the bonds;
- (b) More than twenty-five million dollars (\$25,000,000) and up to and including one hundred million dollars (\$100,000,000) in face amount of bonds – fifty hundredths of a percent (0.50%) of the face amount of the bonds; and
- (c) More than one hundred million dollars (\$100,000,000) in face amount of bonds – seventy-five hundredths of a percent (0.75%) of the face amount of the bonds.

5015.4 In addition to the costs specified in § 5015.1, upon delivery of bonds issued pursuant to section 490 of the Act (other than bonds issued by the Chief Financial Officer or an instrumentality of the District to whom bond issuance authority has been delegated by the Council pursuant to section 490 of the Act) that are secured either by payments in lieu of taxes or by tax increments, or both, the developer, owner, or applicant, whichever is applicable as determined by the Deputy Mayor, shall pay to the District an origination fee of one and one half percent (1.5%) of the face amount of the bonds on the date of delivery of the bonds and shall pay the District an annual administrative charge thereafter on each anniversary date of the date of delivery of the bonds equal to fifteen hundredths of a percent (0.15%) of the outstanding principal amount of the bonds on each applicable anniversary date.

5015.5 The entire origination fee shall be due on the date the bonds are delivered. With the written approval of the Deputy Mayor, a developer, owner, or applicant may pay the origination fee in up to five (5) equal installments,

commencing on the date the bonds are delivered and continuing on each anniversary date thereafter until the entire origination fee is paid, without interest, upon written request to the Deputy Mayor no later than thirty (30) days prior to the date of delivery of the bonds evidencing the adverse impact of a single origination fee payment on the project to be financed with the proceeds of the bonds.

5015.6 Payment of the origination fee in installments may be found to have an adverse impact on the project to be financed with the proceeds of the bonds if it is evidenced to the satisfaction of the Deputy Mayor that without the allowance for payment of the origination fee in installments, the developer, owner, or applicant will be unable to pay all of the other costs of issuance of the bonds on the date of delivery thereof or within the year beginning on the date of issuance of the bonds.

5015.7 With the written approval of the the Deputy Mayor, the origination fee, but not the administrative charge, may be reduced or waived after written request to the Deputy Mayor no later than thirty (30) days prior to the date of delivery of the bonds evidencing that an origination fee concession in whole or in part will further the public interest because the present value of the special public purpose benefits offered by the developer, owner, or applicant at the project to be financed with the proceeds of the bonds exceeds the dollar amount of the origination fee, or that imposition of the origination fee is likely to adversely impact the financial feasibility of the project to be financed with the proceeds of the bonds, or if the imposition of the origination fee will result in a debilitating financial impact on the developer, owner, or applicant or on the operations of the project to be financed by the proceeds of the bonds. The special public purpose benefits, and the total value of the special public purpose benefits, shall be determined in the discretion of the Deputy Mayor and shall include, but not be limited to, public benefits the quality or quantity of which are not a necessary or natural consequence of the project that is to be financed with the proceeds of the bonds. The present value of the special public purpose benefits shall be the total value of the special public purpose benefits for the period of five (5) years from the date of the delivery of the bonds discounted to a present value at a per annum rate equal to the "Prime Rate" as published on the date the calculation is made by "The Wall Street Journal" in its listing of "Money Rates". The value of any fee concession granted shall not exceed the amount required to avoid such adverse or debilitating impacts.

5015.8 For the purposes of § 5015, a developer shall mean a person who undertakes to develop a real estate project; an owner shall mean either an owner as defined in the Payments in Lieu of Taxes Act of 2004, effective April 5, 2005 (D.C. Law 15-293; D.C. Official Code § 1-308.01 *et seq.*) with respect to bonds secured by payments in lieu of taxes or an owner of

any building which is located in a Tax Increment Financing area with respect to bonds secured by tax increments pursuant to the Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.71 *et seq.*); and an applicant shall mean any individual or any public corporation, private corporation, association, partnership, firm or other entity, organized for the purpose of making a profit or as a non-profit organization, other than the District or any of its agencies and instrumentalities, which, pursuant to the filing of an application, requests the District to participate in the financing of a project through the issuance of bonds pursuant to section 490 of the Act (other than bonds issued by the Chief Financial Officer or an instrumentality of the District to whom bond issuance authority has been delegated by the Council pursuant to section 490 of the Act).

5015.9 For the purposes of § 5015, payments in lieu of taxes shall have the meaning set forth in the Payments in Lieu of Taxes Act of 2004, effective April 5, 2005 (D.C. Law 15-293; D.C. Official Code § 1-308.01 *et seq.*) and tax increments shall have the meaning set forth in section 490 of the Act.

All persons desiring to comment on the subject matter of this proposed rulemaking should file comments in writing not later than thirty (30) days after the date of publication of this Notice in the *D.C. Register*. Comments should be filed with the Director of the Revenue Bond-Enterprise Zone Program, Room 317, 1350 Pennsylvania Avenue, N.W., Washington, D.C. 20004. Copies of these proposed rules may be obtained without charge at the above address.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1333 H STREET, N.W., SUITE 200, WEST TOWER  
WASHINGTON, DC 20005

NOTICE OF PROPOSED RULEMAKING

GT97-3, IN THE MATTER OF THE APPLICATION OF WASHINGTON  
GAS LIGHT COMPANY FOR AUTHORITY TO AMEND ITS RATE  
SCHEDULE NO. 6

1. The Public Service Commission of the District of Columbia ("Commission") hereby gives notice, pursuant to Section 2-505 of the District of Columbia Code,<sup>1</sup> of its intent to act upon the Application of Washington Gas Light Company ("WGL" or the "Company")<sup>2</sup> in not less than 30 days from the date of publication of this Notice of Proposed Rulemaking ("NOPR") in the *D.C. Register*.

2. On May 1, 2006, WGL filed a Tariff Application requesting authority to revise **Tariff Page No. 27N for Rate Schedule No. 6**.<sup>3</sup> Specifically, WGL seeks to recover costs from the Company's injection of hexane into its distribution system from interruptible delivery service customers through a modification to the balancing charge.<sup>4</sup> The Company states that it has been collecting the cost of hexane from sales service customers through its Purchased Gas Charge ("PGC").<sup>5</sup>

3. According to WGL, the re-gasified LNG from Cove Point, Maryland lacks heavy hydrocarbons and this, in turn, results in the shrinkage of rubber seals within the mechanical couplings used in the construction of 2-inch distribution mains and ¾ inch service lines.<sup>6</sup> WGL believes a significant number of leaks in the Maryland portion of its distribution system are attributable to this shrinkage problem.<sup>7</sup> In order to prevent

<sup>1</sup> D. C. Code, 2001 Ed. § 2-505.

<sup>2</sup> *Gas Tariff 97-3, In the Matter of the Application of Washington Gas Light Company for Authority to Amend its Rate Schedule No. 6 ("GT97-3")*, Letter to Dorothy Wideman, Commission Secretary, from Keith Townsend, Senior Attorney for Washington Gas Light Company, filed May 1, 2006 (hereinafter referred to as "Application").

<sup>3</sup> GT97-3, WGL's Application at 1.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 3.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.*

shrinkage and further deterioration throughout the distribution system, WGL states that it is injecting hexane into the Cove Point LNG.<sup>8</sup>

4. This Application is on file with the Commission and may be reviewed at the Office of the Commission Secretary, 1333 H Street, N.W., Seventh Floor, East Tower, Washington, D.C. 20005, between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday. Copies of the tariff pages are available upon request, at a per-page reproduction cost.

5. Comments on the proposed tariff application must be made in writing to Dorothy Wideman, Commission Secretary, at the above address. All comments must be received within 30 days of the date of publication of this NOPR in the *D.C. Register*. Persons wishing to file reply comments may do so no later than 45 days of the date of publication of this NOPR in the *D.C. Register*. Once the comment and reply comment periods have expired, the Commission will take final action on WGL's Application.

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<sup>8</sup>

*Id.*